

# **ANALYSIS OF THE BUSINESS CONTINUITY OF RECIPIENTS OF THE POST-STUDENT ENTREPRENEURIAL PROGRAM (SEP) 10<sup>th</sup> ISCA 2020**

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## **ABSTRACT**

This study aims to analyze the business continuity of the Student Entrepreneurial Program (SEP) commonly known as Program Mahasiswa Wirausaha (PMW) participants after the program is completed. This research was conducted using a qualitative approach. The subjects of this study were Student Participants of PMW Jenderal Soedirman University (UNSOED) in 2018 and 2019. The data collected were primary and secondary data using in-depth interviews and documentation studies. The data analysis method used in this research is descriptive qualitative method. Based on the data analysis conducted, the results showed that 50% of the respondents stated that their business had stopped.

**Keywords:** Student Entrepreneurial Program; Business Continuity;

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## **1. Introduction**

The big challenge for all nations in the world at the moment is the creation of employment. In Indonesia, the number of employment is smaller than those who are looking for a job. Data from BPS-Statistics Indonesia said that the level of open unemployment in Indonesia in February 2017 until February 2019 has increased from 5% to 6,2%. In this COVID-19 pandemic, there are more people losing their jobs. Based on this condition, then anyone who is able to open or create employment for the people in need may be called “the real hero”. Entrepreneur as the creator of employment is the real hero because with employment, then it can increase one’s welfare, even indirectly it may improve the welfare of the the society in general.

University as the institution that create educated graduates has taught their student in various form of entrepreneurship education so that they may have entrepreneurship skill. One of the form of entrepreneurship education that has been performed for more than 10 years is Student Entrepreneurial Program (SEP) commonly known as Program Mahasiswa Wirausaha (PMW). The increase of open unemployment in Indonesia indicates that PMW has not enough role in decreasing the rate of open unemployment.

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Based on the research of Lestari (2018) it said that one of the problem in the execution of PMW in UNSOED is that there are no effort from the university to track the continuity of the business of the students who receive the PMW. Low of attention in the continuity of the student's business is a concern, because fundamentally PMW is not only being held to create a business that only function when the program is being held, but to continue even after the program ended. Through tracking of the business continuity of the member students of PMW, we hope to create young entrepreneurs that is well-established and able to create more employment.

Based on statistic data, 78% of beginner entrepreneur failed to perform their business in the first year. This failure is mostly not because their product do not have a market, but because of the bookkeeping that is not well-managed (<https://ekbis.sindonews.com/read/1336935/34/banyak-ukm-tumbang-di-tahun-pertama-ini-penyebabnya-1536488439>). This phenomenon gives notes to beginner entrepreneur ro manage their bookkeeping well to prevent their business from going collapse in the first year. An entrepreneur may be called successful if known from the length of continuity of their company, as a provider of employment for the surrounding society, and improving the welfare (Wijandi, 2004).

Business continuity gives an opportunity for entrepreneur to increase their income and welfare that can be gained if the entrepreneur has the entrepreneurship skill (Faizhal, 2014). This research is an effort to analyze the level of business continuity after PMW has ended especially in this Covid-19 pandemic. This research has never been done before, so we expect that the result of this research can be used to improve the continuity of PMW students' business in UNSOED. This research is one form of contribution especially from the researcher and UNSOED in general to create new entrepreneurs who have sustainable and durable business.

## **2. Literature Review**

### *2.1 Concept of Business Continuity*

Business continuity is one of the indicator of the success of a business. Business' success is a condition where the capital has been fulfilled, there are productive process of distribution, and the aim of the organization can be achieved. Research's result of Ahmed, et al (2013) said that there are some indicator for the success of a business, such as : (1) personal background of the entrepreneur that have great impact to the characteristic's psychoogy, (2) factors of managerial skill, leadership, opportunity, and skill

SMEs that is able to maintain their business continuity can be called an upgraded Small and Medium-sized Enterprises (SMEs). Upgraded SMEs is a condition where SMEs has the good and developing performance, improving productivity, and increasing competitiveness. Micro business may be upgraded to small business, small business to medium business, and medium business to big business. As for the indicator of upgraded SMEs, is that the business become formal, and the total of sales and asset is increasing. Besides, the customer that is serviced, tax that is paid, and the number of employees are increasing, and the quality of human resources are improving and the product have good quality and the entrepreneur have the access in building the network and developing their business. Other indicator that affected the performance of SMEs is the

administration and finance systems that is improving. The production is increasing, and the fund accessed from the bank and stakeholder are also increasing.

To create the business continuity for the long term, a business has to make a strategy. Strategy of business continuity describe the aim of the business, the environment chosen, and is a guideline to allocate resources and the effort of the organization so that the company may grow and develop (Pramudiana, 2017). Strategy of long-term business continuity on the corporate level are growth strategy, stability strategy, retrenchment strategy, and business unit strategy.

## *2.2 Entrepreneurship*

Entrepreneurship according to Hisrich (2008) is the process of creating something new, something with value, by utilizing the effort and time necessary, by paying attention to social, physical, and financial risks, and receiving the reward in the form of money, personal satisfaction and independency. This definition from Hisrich (2008) emphasize four fundamental aspects for an entrepreneur, such as : (1) entrepreneurship is involving the process of something new; (2) entrepreneurship needs time and money; (3) entrepreneurship has certain risks; (4) entrepreneurship is involving the reward as an entrepreneur (Wijanto, 2009).

A successful entrepreneur according to Kasmir (2011) have some certain characteristics, such as: 1) have clear aim and vision; 2) achievement-oriented; 3) risk-taker; 4) hardworker, 5) responsible for all activities performed, whether it is in the moment or in the future; 6) committed to every parties involved is a characteristic that needs to be kept and to be hold firmly; and 7) develop and maintain good relationship with every parties involved, whether they are directly related to the business performed or not.

The creation of a successful entrepreneur could not be done through instant process. Raposo (2011) showed that there are positive relationship between entrepreneurship education and entrepreneurship activity. Supporting this statement, Marques (2012) said that in the learning process of entrepreneurship, trainer and teacher have to act not only as the promotor of cultural, holistic, and critical thinking, but also as the facilitator to develop the right environment that support the learning process.

Based on these studies, then we learn that the execution of PMW is a correct effort to increase the entrepreneurship passion of the student because this program is not only teaching about the theory of entrepreneurship but also teaching the entrepreneurship activities directly. PMW is a concrete effort of the university to decrease the rate of unemployment from university graduate by creating the new educated entrepreneurs.

## *2.3 Program Mahasiswa Wirausaha (PMW)*

The policy and program of institutional strengthening that encourage the increase of entrepreneurship activity and the acceleration of the growth of new entrepreneurs with the base of science and technology is very necessary. On the basis of this idea, Directorate of Higher Education develop the PMW. In 2009, this program has been executed in 83 (eighty three) public

universities and 179 (one hundred and seventy nine) private universities under the coordination of Kopertis.

PMW is one of the program in the education system in the university that has the aim to 1) building softskill or entrepreneur's character; 2) creating new entrepreneurs who are educated and have the mindset of the creator of employment; 3) encouraging the building, development or formation of an institution (unit/center) for the manager of entrepreneurship program in university; 4) encouraging the formation of education or learning model of entrepreneurship in university. Therefore in the execution, PMW should be integrated and synergized with the existing programs such as Program Kreativitas Mahasiswa (PKM), Program Co-op, Kuliah Kerja Usaha (KKU) and other entrepreneurship programs.

### **3. Research Methodology**

#### *3.1 Research Approach*

This research was conducted by using qualitative approach. The scope of this research is about the level of business continuity and student member of PMW UNSOED.

#### *3.2 Subject and Setting of the Research*

Subject of this research are the student member of PMW UNSOED in 2018 and 2019. This research was conducted in the duration of eight months. The population of this research is all student member of PMW in 2018 and 2019. Sample is part of the number of characteristics owned by this population (Sugiyono, 2017). The used sample must be able to represent and mirror the existing population. This research used purposive sampling technique.

#### *3.3 Data Collection/Collecting Technique*

The type of data collected are primary data and secondary data. Primary data was collected from the interviews and open questionnaire. Secondary data was obtained from documentation study from student and alumni division of Jenderal Soedirman University, which is the documents about the student member of PMW in 2018 and 2019.

#### *3.4 Data Analysis Technique*

Qualitative data was analyzed by data triangulation and source triangulation to ensure the validity of the data. Data collected then reduced and concluded.

### **4. Results**

#### *4.1 General Descriptive of the Respondents*

Research subject were the students who had become the participant of PMW UNSOED. Research data was obtained through primary source directly from the respondents by filling an open questionnaire. Respondents in this research are 17 people with the age range of 20-23 years old

and their participation from 2018 to 2019. Here are the classification of the respondents based on their sex.

Table 1. Classification of the Respondents

No	Classification	Count	Percentage
1	Male	10	62,5%
2	Female	6	37,5%
	Total	16	100 %

Based on the table above, we learn that the male respondents is higher in number compared to the Female respondents.

#### 4.2 Level of Business Continuity

Based on the interviews and open questionnaires collected, then the summary of the results is showed in the following Table 2:

Table 2 Summary of Respondent's Response

No	Company performance in the middle of the worsening economy caused by Covid-19	Number of business	Business field
1.	Decreasing performance (decreasing production)	8	Convection, Culinary, Crafts, Farming
2.	Stopped/Closed/No production	8	Culinary and farming

Based on the data collected, respondent said that the main cause of decreasing or even stopped performance is the Covid-19 pandemic. In the time of pandemic, owner or the student went back to their hometown. And so it was with their consumer which consist mostly of students. The purchasing power of the society also decreased significantly. To solve this problem, some entrepreneur have some ideas to maintain their productivity such as by:

1. Promoting in online media (social media and online marketplace)
2. Adding some variants to the product
3. Applying better marketing strategy, adapted/customized with the current condition, for example by giving discount.
4. Open pre-order system.
5. Encourage and motivate their employees.
6. Make the spending more efficient so the fund can be pressed as minimal as possible by searching for the latest strategy and innovation.

## 5. Discussion

Based on the result of the study, the condition of business continuity from students after receiving the fund from PMW in the Covid-19 pandemic is decreasing in productivity or even not in production. This is because the majority of the consumer are students. One of the means to rise from this adversity is by retrenchment strategy. Retrenchment strategy also called as renewal strategy. A business can apply retrenchment when all lines of the product is in the weak competitive position and creating bad performance (Coulter, 2008). The indicator of this condition

is the decreasing selling and having loss in costs. Retrenchment strategy that can be performed are as follows:

- a. Turnaround  
Turnaround emphasizing on operational improvement and efficiency
- b. Captive Company  
Captive company means that the company offers themselves to be a captive company to the biggest shareholder in ensuring the continuity of the business through a long-term contract. This strategy is chosen if the company has become very weak and unable to do turnaround strategy.
- c. Sell-out/ Divestment  
If the company condition has already impossible to do turnaround strategy and captive company, then the next step that the company can do is to do sell-out or divestment. It means that the company sells their company to other company. This strategy may be executed as long as the management receives a proper price and the employee can maintain their jobs.
- d. Bankruptcy/ Liquidation  
Bankruptcy/ liquidation means that the company give up the position of the company to finish their responsibilities. This strategy is chosen when the competitive position of the company is weak, but the attractiveness of the industry is high.

Based on these strategies, the students as the entrepreneurs graduate from PMW can choose the strategy that is suitable to their business so that they may rise again.

## 6. Conclusion

Based on the result obtained, we conclude that 16 of the student's business that had received fundings from PMW got affected from the spreading of Covid-19. As many as 8 business experiencing a decrease in productivity while 8 other business had to be closed or stopped to production. Some strategies can be chosen to increase the company performance, one of them is by retrenchment strategy.

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